

For: State and County Offices

EQIP Monthly Reconciliation Procedure

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

State Offices must ensure that reconciliation of EQIP funding is performed on a monthly basis for all of the ledgers involved.

Failure to perform routine reconciliation has resulted in inadequate program funds control and incorrect ledger balances. 2-CONSV does not currently contain specific reference to reconciliation procedure for EQIP.

B

Purpose

This notice:

- reminds State Offices of the importance of maintaining balanced ledgers
- instructs State Offices to handle each year of EQIP as a separate program when performing reconciliation
- reviews methods for performing monthly EQIP reconciliation
- advises State Offices that reconciliation procedure for EQIP will be included in a future amendment to 2-CONSV.

Disposal Date

April 1, 2000

Distribution

State Offices; State Offices relay to County Offices and NRCS State Office

2 EQIP Reconciliation

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Monthly Reconciliation

Reconciliation is an essential part of maintaining proper control of program funds. To avoid errors and alleviate FY-end reconciliation problems, State and County Offices should reconcile their ledgers on a **monthly** basis. Allocations on State ledgers should be reconciled against allocations on:

- County ledgers
- CCC-357's issued by the National Office.

Earnings on County ledgers should be reconciled against KCMO payment activity.

Important: Since each year of EQIP is considered a separate program, reconciliation should be performed **on a FY basis**.

State and County Offices should work together to resolve differences between and/or on the State and County ledgers in a timely manner.

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Reconciliation Reports

Reconciliation procedure for EQIP will be included in a future amendment to 2-CONSV. In the meantime, State and County Offices can use the following system-generated reports to assist in performing monthly reconciliation:

- Conservation 305 Monthly Progress Report EEG330-R002 and/or Conservation 305 Monthly Progress/Transmission Report EEG320-R001
- Cumulative Reconciliation Report MLD016-R001.

State Offices should also review the following State reports:

- Summary of Conservation Programs Progress Report EEG390-R001
- Differences Between Conservation 305 and State CCC Ledgers EEG235-R006.

Note: The Cumulative Reconciliation Report is provided monthly to State Offices by KCMO. The other reports are printed automatically when State Offices queue month-end progress reports for transmission to KCMO.

Notice CONOP-9

3 Action

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State Office Action

State Offices shall take action according to the following table.

Step	Action
1	On a monthly basis, reconcile the county allocations posted for each fund code on the State ledgers with the allocations posted on the County ledgers by reviewing the Differences Between Conservation 305 and State CCC Ledgers Report. Note: All differences listed on the report shall be addressed and resolved, including differences that may appear in prior year fund codes.
2	On a monthly basis and for each program year of EQIP, reconcile the allocation on the State ledger with the allocation on the latest CCC-357 received from the National Office. Note: To accomplish this, ensure that the total of posted allocations to individual fund codes for a particular FY matches the total State allocation authorized on CCC-357.
3	Ensure that corrections necessary to resolve reconciliation problems are made on the appropriate State and/or County ledgers as needed.
4	Provide copies of the Cumulative Reconciliation Report to County Offices each month.
5	Monitor and ensure that County Offices reconcile any differences that appear on the Cumulative Reconciliation Report.
6	Follow all instructions in this notice.

Continued on the next page

Notice CONOP-9

3 Action (Continued)

B

County Office Action

County Offices shall take action according to the following table.

Step	Action
1	Follow State Office instructions regarding allocation increases or decreases that may be needed to reconcile County ledgers with State ledgers
2	<p>On a monthly basis, review the Cumulative Reconciliation Report provided by the State Office and ensure that differences between earnings posted to the ledgers and payments issued are reconciled and corrected.</p> <p>Important: CCC-1245 processing shall be used in cases where earnings need to be corrected to reconcile a difference.</p> <p>Exception: Use manual ledger adjustments to correct earnings only when erroneous manual ledger adjustments caused the difference.</p>
3	Follow all instructions in this notice.
